

Procurement Coordination Committee Report

September 1, 2015



Texas Department of Information Resources



Texas Comptroller of Public Accounts

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Executive Summary

In 2013, the Texas legislature established measures to assess contracting and procurement overlaps between the Texas Department of Information Resources (DIR) and the State Comptroller's Office (Comptroller) statewide commodity purchasing programs. House Bill (HB) 2472 of the 83rd Legislature, Regular Session, added Section 2155.007 to Texas Government Code, Chapter 2155 (TGC 2155), Subchapter A. This section required DIR and the Comptroller to establish a Procurement Coordination Committee (PCC) comprising essential DIR and Comptroller personnel.

The PCC is charged with reviewing DIR and Comptroller procurement functions for the purposes of identifying areas of overlap, mutually beneficial contracting methodologies, data management, customer relations, and consolidation opportunities; developing standard data collection and cost savings methodologies; and reporting findings to the Sunset Advisory Committee.

DIR and the Comptroller formalized the PCC charter in March 2014. However, DIR and the Comptroller had been meeting since July of 2012 to foster positive communication and collaboratively address shared procurement concerns. Since that time, the PCC has met numerous times, establishing workgroups to explore topics related to the PCC charges. Through these workgroups, the PCC found few overlaps in the procurement functions due to the types of commodities being purchased and contracted for by the two agencies. Any variances in procurement and contract methodologies, as well as the reporting, were found to be appropriate based on these differences and were due to statutory requirements for each agency. The PCC did identify actions to support the legislative objectives, and

- Identified commodity codes used by both agencies and eliminated duplicative work
- Analyzed the effectiveness of each agency's cost avoidance processes
- Reviewed opportunities to collaborate on the Contract Management Guide Content and Customer Training
- Are working to identify data collection opportunities related to Senate Bill 20 (84 R) requirements.

The PCC's findings are organized around six primary objectives to meet the intent of the legislation and further the committee's goals of collaborative analysis, including:

Objective 1: Identify areas of overlap in the procurement functions and methods to avoid duplication of services.

Objective 2: Identify mutually beneficial contracting and procurement methodologies, data collection and management techniques, and customer relations management.

Objective 3: Identify opportunities for collaboration on procurement functions that would benefit the state or other customers.

Objective 4: Identify opportunities for consolidation of administrative or other functions to improve customer service and reduce operating costs.

Objective 5: Develop a standardized method to

- 1) Collect and analyze spending data relating to procurement contracts
- 2) Benchmark and quantitatively measure cost savings and increased administrative efficiency resulting from collaboration and cooperative purchasing

Objective 6: Develop strategies that encourage coordination relating to procurement functions.

The Procurement Coordination Committee will continue to work together in the coming biennium to address the remaining issues contained in the legislation.

This is the first of two reports the PCC will publish collaboratively. The second report is due September 1, 2017.

Background

The Texas Comptroller of Public Accounts

Texas Procurement and Support Services (TPASS) was established within the Office of the Comptroller (Comptroller) as a separate division and carries out the powers and duties transferred to the Comptroller from the Texas Building and Procurement Commission and otherwise provided to the Comptroller under HB 3560, (80R, 2007). These powers and duties include statewide procurement, training and certification, the Centralized Master Bidders List, the Historically Underutilized Business (HUB) program, administrative support, the Cooperative Purchasing Program and offices for the State Council on Competitive Government, mail operations, and vehicle fleet management. TPASS rules can be found in 34 Texas Administrative Code (TAC), Chapter 20.

The TPASS Division has approximately 300 term and 700 Texas Multiple Award Schedule (TXMAS) contracts for use by over 200 state agency customers and 1,700 entities enrolled in its cooperative purchasing program. Term contracts are competitively bid contracts procured by TPASS and put in place for customer use, based on spend data and identified need. TXMAS contracts are contracts that have been developed from competitively bid contracts awarded by the federal government or any other governmental entity of any state. In both cases, use of TPASS contracts saves customers both time and money by allowing them to avoid lengthy procurement processes and make purchases from these contracts with the assurance that their competitive bidding requirements have been met.

The Texas Department of Information Resources

The Department of Information Resources (DIR) Cooperative Contracts program was created with the passage of HB 1516 (79R). This bill requires state agencies to buy technology commodity items from DIR contracts, unless the agency obtains an exemption from DIR. DIR has defined commodity items (products and services) in TAC 212.

- **Commodity items** are commercially available software, hardware, and technology services that are generally available to businesses or the public and for which DIR determines that a reasonable demand exists in two or more state agencies.
- **Hardware** is the physical technology used to process, manage, store, transmit, receive, or deliver information.
- **Software** is the commercially available programs that operate hardware and includes all supporting documentation, media on which the software may be contained or stored, related materials, modifications, versions, upgrades, enhancements, updates, or replacements.
- **Technology services** are the services, functions, and activities that facilitate the design, implementation, creation, or use of software or hardware. Technology services include seat management, staffing augmentation, training, maintenance, and subscription services. Technology services do not include telecommunications services.

- **Seat management** refers to services through which a state agency transfers its responsibilities to a vendor to manage its personal computing needs, including all necessary hardware, software, and technology services.

More than 750 information technology (IT) commodity contracts are in place for products and services, including computers, software, security hardware and software, networking equipment, telecommunications equipment, IT staffing services, and technology-based training. The Cooperative Contracts program offers customers a combination of discounted pricing, convenience, expedited processing, options across multiple vendors and resellers, and opportunities to purchase from Historically Underutilized Businesses (HUBs).

DIR serves five primary customer groups with the Cooperative Contracts program: Texas state agencies; Texas local governments (cities and counties in Texas); the Texas public education community, including institutions of higher education and K-12; Texas assistance organizations; and state agencies, local government communities, K-12, and higher education of other states. New entities are added by the legislature, and the most recent additions are quasi-state agencies such as the Electric Reliability Corporation of Texas, the Lower Colorado River Authority, private schools or institutions of higher education, and volunteer fire departments. Texas state agencies are mandatory customers and all other entities are voluntary.

DIR leverages the state's purchasing power to negotiate competitive discounts on information and communications technology products and services, then establishes pre-negotiated contracts that meet state procurement requirements. Every dollar participants save on goods and services through this program is a dollar that can be redirected to agencies' mission-critical services, such as education or health care.

The Procurement Coordination Committee

HB 2472 (83R) amends Texas Government Code Chapter 2155 (TGC 2155) Subchapter A by adding Section 2155.007 and requires DIR and the Comptroller to establish a Procurement Coordination Committee (PCC) comprised of essential personnel of DIR and the Comptroller.

The PCC was formed to establish a formal communication and coordination body to

1. Identify
 - areas of overlap in the procurement functions and methods to avoid duplication of services;
 - mutually beneficial contracting and procurement methodologies, data collection and management techniques, and customer relations management;
 - opportunities for collaboration on procurement functions that would benefit the state or other customers; and
 - opportunities for consolidation of administrative or other functions to improve customer service and reduce operating costs.

2. Develop

- a standardized method for the department and the comptroller to
 - collect and analyze spending data relating to procurement contracts, and
 - benchmark and quantitatively measure cost savings and increased administrative efficiency resulting from collaboration and cooperative purchasing; and
- strategies that encourage coordination between the department and the comptroller relating to procurement functions.

In accordance with TGC 2155 Section 2155.007, this first of two reports, covering the period from September 1, 2013, to August 31, 2015, outlines findings on the above. A second report will be published on September 1, 2017, and cover the two years prior.

Findings

The following sections provide the results of the PCC collaborative analyses according to objectives specified by statute. The goals of this committee were to identify areas of overlap between DIR and the Comptroller; discover mutually beneficial contracting methodologies, data management, customer relations, and consolidation opportunities; and develop standard data collection and cost savings methodologies.

Objective 1: Identify areas of overlap in the procurement functions and methods to avoid duplication of services

The PCC found few overlaps in the procurement functions due to the types of commodities being purchased through the two agencies. As technology continues to emerge, more and more commodities are beginning to have embedded hardware or software components. As a result, a number of commodity codes were used by both agencies to establish contracts. To address this issue, DIR and the Comptroller performed an exhaustive review of the entire commodity code list and made changes to codes designated as technology related. To remain current, DIR and the Comptroller review the commodity codes (see [Appendix](#)) annually, or more frequently as needed. When the classification of an item is in question, DIR and the Comptroller work together to best determine how that item should be procured and to communicate clear guidance to customers.

One such example related to the classification of electronic gates. DIR and the Comptroller reviewed the specifications for this type of procurement and determined that while there is an IT component in this type of purchase, the main function of the purchase was to obstruct access and entry into a restricted area. This purchase was approved to be categorized as a non-IT related procurement.

In another case, the Comptroller worked with DIR to determine that the Council on Competitive Government contract for Geographical Information Systems (GIS) shared several features of the GIS contract administered by DIR. After multiple discussions, the agencies decided that DIR was the more appropriate administrator for this type of contract. The Comptroller then worked with the stakeholders and DIR staff to ensure a seamless transfer of knowledge and responsibility for this contract to DIR.

As these types of procurement questions have arisen, DIR and the Comptroller have continued to meet, address, and resolve these issues. Furthermore, the Comptroller remains dedicated to conducting thorough reviews of each contract or purchase request received from its customer agencies to identify opportunities that should be handled by DIR. In those cases, the Comptroller will coordinate with the stakeholders and DIR to facilitate the establishment of a contract that meets the needs of the state.

Objective 2: Identify mutually beneficial contracting and procurement methodologies, data collection and management techniques, and customer relations management

IT commodities offer multiple configurations that allow each customer to build a product or obtain services to meet a precise need. IT pricing decreases at a higher rate than non-technology commodities. These variables contribute to the difference between the commodity purchases of DIR and the Comptroller. That said, the PCC found that both agencies capture significant amounts of data on expenditures and are able to adequately report on that data. However, it also identified challenges in standardizing this reporting, primarily due to how commodities are purchased by state agencies. The Comptroller leverages the TxSmartBuy program, which captures state use data based on orders generated in the system for specific contracted items. The DIR cooperative contracts model allows customers to generate a purchase order and issue it directly to the master contract vendor. While both agencies capture similar data, further review is needed to determine how to standardize reporting between the two.

DIR and the Comptroller met on several occasions to review the effectiveness of each agency's cost avoidance process and to determine if a consistent process between the two agencies could be applied. The Comptroller's methodology could not be applied in the same manner to information technology products, where the cost of technology commodities decrease more quickly upon entering the market as improvements are introduced. The DIR cost avoidance review revealed no significant issues with either the strategy or the calculation process. The PCC found that DIR's comparative price analysis using other cooperatives, such as General Services Administration (GSA) and Western States Contracting Alliance (WSCA), was a fair and justifiable strategy.

Recommendations for future consideration:

- To calculate the Cost Avoidance Percentage when pricing from GSA, WSCA, the Texas Interlocal Purchasing System (TIPS), the Cooperative Purchasing Network (TCPN), etc., is unavailable, both agencies should consider using the average cost savings percentage from comparable commodity categories after statistically removing the outliers.
- For clarity and better presentation, consider adding an Average Sourced Price and then calculate the Cost Avoidance percentage. These calculations both produce the same results but may be easier to review and verify.
- Consider adding ancillary costs such as personnel, utilities, etc., to obtain cost savings.

Both agencies employ purchasers and contract managers who are extremely knowledgeable about the state's procurement laws and the guidance provided in both the state's Procurement Manual and its Contract Management Guide (CMG). These individuals serve as liaisons to state customers, vendors, and members of the public, providing them with valuable information regarding state purchasing. DIR and the Comptroller share procurement information to ensure that each is able to provide its customers with the most relevant and accurate resources available. Both agencies maintain links to the other's website on their own, where applicable, to allow for easy navigation between the sites.

Objective 3: Identify opportunities for collaboration on procurement functions that would benefit the state or other customers

In early 2015, DIR began revisions to the Technology Addendum of the Comptroller's Contract Management Guide. The Addendum provides guidance to the State of Texas regarding procurement and contracting. It also provides information on purchasing from DIR Cooperative Contracts, the process for using Deliverables-Based Information Technology Services (DBITS) contracts, IT Staffing Services contracts, best value determinations and justifications, as well as vendor performance. The guide provides descriptions of DIR's enterprise voice and data network (TEX-AN), Texas.gov and Data Center Services contracts, as well as details on the Texas Project Delivery Framework, a set of templates and guidance documents designed for major, large-scale IT projects. DIR is currently drafting additional guidance related to Senate Bill 20 (SB 20), 84th Texas Legislature, which greatly impacts state contracting and procurement, including technology procurement. DIR expects to have these revisions completed in the fall of 2015.

In addition, DIR has authored a Best Value white paper to aid customers in evaluating and selecting technology vendors. DIR has submitted this white paper to the PCC for comments and expects to have this published in late 2015 to early 2016.

DIR has developed curriculum for a number of training classes to assist customers in using DIR Cooperative Contracts. Some examples of these training classes include:

- Basic Purchasing of Information Technology Products and Services
- Advanced Purchasing of Information Technology Products and Services
- Statement of Work Training for Cloud, DBITS, and Managed Services Contracts

Currently, the classes are held as an instructor-led class with DIR instructors. DIR is also beginning to develop related webinars to conserve resources and travel dollars for state agencies. DIR will begin working with the Comptroller to address the purchasing technologies training requirement in SB 20 this year as well.

The Comptroller is also working on rules, policies, and procedures required by multiple provisions within SB 20. Upon completion, the Comptroller will coordinate with DIR and other agencies, as necessary, to implement the changes associated with SB 20 and all other newly enacted legislation.

DIR and the Comptroller will continue to meet and identify additional opportunities to collaborate on procurement functions to benefit the state.

Objective 4: Identify opportunities for consolidation of administrative or other functions to improve customer service and reduce operating costs

In 2016, DIR and the Comptroller will work together to identify any opportunities to improve customer service and reduce operating costs.

Objective 5: Develop a standardized method to

- 1) Collect and analyze spending data relating to procurement contracts**
- 2) Benchmark and quantitatively measure cost savings and increased administrative efficiency resulting from collaboration and cooperative purchasing**

DIR and the Comptroller have met a number of times to discuss the data gathering performed by each agency. The PCC found that both DIR and the Comptroller capture significant amounts of spend data and are able to adequately report on that data; however, challenges in standardizing this reporting, primarily due to the way the commodities are purchased by state agencies, were identified. The Comptroller leverages the requirement to utilize the TxSmartBuy program, which captures state use data based on orders generated in the system for specific contracted items. The DIR cooperative contracts model allows customers to generate a purchase order and issue it directly to the master contract vendor and utilizes a data warehouse to capture the purchases of those specific IT-related items. While both DIR and the Comptroller have similarities in the data that is captured, further review is needed to determine how to standardize reporting between DIR and the Comptroller. We are currently reviewing how each agency collects and analyzes spending data related to procurement contracts, which will now include the implementation of SB 20's additional reporting requirements. The consolidation of additional data fields captured into a centralized reporting system may create opportunities that leverage the Centralized Accounting and Payment/Personnel System (CAPPS) reporting features.

Meetings were conducted between DIR and the Comptroller that included Dr. Rom Haghighi, *ex officio* PCC committee member and statistician for the Comptroller's office. Dr. Haghighi compared the processes between the two agencies. He noted that while the methodology tailored specifically for TPASS and Strategic Sourcing Program purchases were different from DIR's, a few subcategories could be applicable to DIR-related contracts. Dr. Haghighi explained that the use of a Product Price Index and Consumer Price Index in calculations is more appropriate in non-technology commodities such as food, fuel, and road aggregate, where variables such as multiple configurations may not be as extensive. Dr. Haghighi suggested that incorporating both direct and indirect costs would more accurately demonstrate the benefit of the cooperative program to the state. By not considering indirect costs, all savings are not captured. In the coming year, DIR and the Comptroller will continue this review to develop a more standardized method for collecting, benchmarking, and reporting data.

Objective 6: Develop strategies that encourage coordination relating to procurement functions

Through the PCC, DIR and the Comptroller have developed open lines of communication that foster an environment of collaboration in statewide procurement. Staff members from both agencies regularly consult with the other to coordinate purchasing efforts to eliminate redundancies and better serve the needs of the state's customers. For example, if the Comptroller's office receives a request for a product or service that falls within a DIR-designated category, staff members are trained to direct the requestor to the appropriate contract representative at DIR.

In the coming year, DIR and the Comptroller will develop additional strategies to encourage coordination relating to procurement functions.

Conclusion

DIR and the Comptroller have worked successfully together to establish a formal communication and coordination body and foster a positive and responsive team. The Procurement Coordination Committee will continue to work together in the coming biennium to address the remaining issues contained in the legislation.

This is the first of two reports the PCC will publish collaboratively. The second report is due September 1, 2017.

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Appendix – Commodity Code Listing

State of Texas NIGP Commodity Book Numeric Index (Revised February 2015)

NOTE: The official NIGP Commodity Book is copyrighted material to be used for reference purposes only and may not be reproduced without a license from Periscope Holdings, Inc.

Click on a class code to see the items for that class. Note: Asterisked () items may contain an Automated Information Systems (AIS)/Telecommunications component or service.*

Class Code	Description
005	ABRASIVES
010	ACOUSTICAL TILE, INSULATING MATERIALS, AND SUPPLIES
015	ADDRESSING, COPYING, MIMEOGRAPH, AND SPIRIT DUPLICATING MACHINE SUPPLIES: CHEMICALS, INKS, PAPER, ETC.
019	AGRICULTURAL CROPS AND GRAINS INCLUDING FRUITS, MELONS, NUTS, AND VEGETABLES
020	AGRICULTURAL EQUIPMENT, IMPLEMENTS, AND ACCESSORIES (SEE CLASS 022 FOR PARTS)
022	AGRICULTURAL EQUIPMENT AND IMPLEMENT PARTS
025	AIR COMPRESSORS AND ACCESSORIES
031	AIR CONDITIONING, HEATING, AND VENTILATING EQUIPMENT, PARTS AND ACCESSORIES (SEE CLASS 740 ALSO)
035	AIRCRAFT AND AIRPORT EQUIPMENT, PARTS, AND SUPPLIES
037	AMUSEMENT, DECORATIONS, ENTERTAINMENT, GIFTS, TOYS, ETC.
040	ANIMALS, BIRDS, MARINE LIFE, AND POULTRY, LIVE, (INCLUDING ACCESSORY ITEMS)
045	APPLIANCES AND EQUIPMENT, HOUSEHOLD TYPE
050	ART EQUIPMENT AND SUPPLIES
052	ART OBJECTS
055	AUTOMOTIVE ACCESSORIES FOR AUTOMOBILES, BUSES, TRAILERS, TRUCKS, ETC.
060	AUTOMOTIVE AND TRAILER EQUIPMENT AND PARTS
065	AUTOMOTIVE AND TRAILER BODIES, BODY ACCESSORIES, AND PARTS
071	AUTOMOBILES, SCHOOL BUSES, SUVs, AND VANS (INCLUDING DIESEL, GASOLINE, ELECTRIC, HYBRID, AND ALL OTHER FUEL TYPES)
072	TRUCKS (INCLUDING, DIESEL, GASOLINE, ELECTRIC, HYBRID, AND ALTERNATIVE FUEL UNITS)
073	TRAILERS

Class Code	Description
075	AUTOMOTIVE SHOP AND RELATED EQUIPMENT AND SUPPLIES
080	BADGES, AWARDS, EMBLEMS, NAME TAGS AND PLATES, JEWELRY, ETC.
085	BAGS, BAGGING, TIES, AND EROSION SHEETING, ETC.
090	BAKERY EQUIPMENT, COMMERCIAL
095	BARBER AND BEAUTY SHOP EQUIPMENT AND SUPPLIES
100	BARRELS, DRUMS, KEGS, AND CONTAINERS
105	BEARINGS (SEE CLASS 060 FOR WHEEL BEARINGS)
110	BELTS AND BELTING: AUTOMOTIVE AND INDUSTRIAL
115	BIOCHEMICALS, RESEARCH
120	BOATS, MOTORS, AND MARINE EQUIPMENT
125	BOOKBINDING SUPPLIES
135	BRICKS, CLAY, REFRACTORY MATERIALS, STONE, AND TILE PRODUCTS
140	BROOM, BRUSH, AND MOP MANUFACTURING MACHINERY AND SUPPLIES
145	BRUSHES (SEE CLASS 485 FOR JANITORIAL TYPE)
150	BUILDER'S SUPPLIES
155	BUILDINGS AND STRUCTURES: FABRICATED AND PREFABRICATED
160	BUTCHER SHOP AND MEAT PROCESSING EQUIPMENT
165	CAFETERIA AND KITCHEN EQUIPMENT, COMMERCIAL
175	CHEMICAL LABORATORY EQUIPMENT AND SUPPLIES
180	CHEMICAL RAW MATERIALS (IN LARGE QUANTITIES PRIMARILY FOR MANUFACTURING JANITORIAL AND LAUNDRY PRODUCTS)
190	CHEMICALS AND SOLVENTS, COMMERCIAL (IN BULK)
192	CLEANING COMPOSITIONS, DETERGENTS, SOLVENTS, AND STRIPPERS - PREPACKAGED
193	CLINICAL LABORATORY REAGENTS AND TESTS (BLOOD GROUPING, DIAGNOSTIC, DRUG MONITORING, ETC.)
195	CLOCKS, WATCHES, TIMEPIECES, JEWELRY AND PRECIOUS STONES
200	CLOTHING: ATHLETIC, CASUAL, DRESS, UNIFORM, WEATHER AND WORK RELATED
201	CLOTHING ACCESSORIES (SEE CLASS 800 FOR SHOES AND BOOTS)
204	*COMPUTER HARDWARE AND PERIPHERALS FOR MICROCOMPUTERS
205	*COMPUTER HARDWARE AND PERIPHERALS FOR MICROCOMPUTERS, ENVIRONMENTALLY CERTIFIED BY AN AGENCY ACCEPTED CERTIFICATION ENTITY

Class Code	Description
206	*COMPUTER HARDWARE AND PERIPHERALS FOR MINI AND MAIN FRAME COMPUTERS
207	*COMPUTER ACCESSORIES AND SUPPLIES
208	*COMPUTER SOFTWARE FOR MICROCOMPUTERS, SYSTEMS, INCLUDING CLOUD-BASED (PREPROGRAMMED)
209	*COMPUTER SOFTWARE FOR MINI AND MAINFRAME COMPUTERS (PREPROGRAMMED)
210	CONCRETE AND METAL PRODUCTS, CULVERTS, PILINGS, SEPTIC TANKS, ACCESSORIES AND SUPPLIES
220	*CONTROLLING, INDICATING, MEASURING, MONITORING, AND RECORDING INSTRUMENTS AND SUPPLIES
225	COOLERS, DRINKING WATER (WATER FOUNTAINS)
232	CRAFTS, GENERAL
233	CRAFTS, SPECIALIZED
240	CUTLERY, COOKWARE, DISHES, GLASSWARE, SILVERWARE, UTENSILS, AND SUPPLIES
245	DAIRY EQUIPMENT AND SUPPLIES
250	DATA PROCESSING CARDS AND PAPER
255	DECALS AND STAMPS
257	DEFENSE SYSTEM AND HOMELAND SECURITY EQUIPMENT, WEAPONS AND ACCESSORIES
260	DENTAL EQUIPMENT AND SUPPLIES
265	DRAPERIES, CURTAINS, AND UPHOLSTERY MATERIAL (INCLUDING AUTOMOBILE UPHOLSTERY)
269	DRUGS AND PHARMACEUTICALS
271	DRUG AND FEEDING ADMINISTRATION, INFUSION, AND IRRIGATION EQUIPMENT AND SUPPLIES
279	EIGHTEENTH (18TH) CENTURY REPRODUCTION GOODS
280	*ELECTRICAL CABLES AND WIRES (NOT ELECTRONIC)
285	*ELECTRICAL EQUIPMENT AND SUPPLIES (EXCEPT CABLE AND WIRE)
287	*ELECTRONIC EQUIPMENT, COMPONENTS, PARTS, AND ACCESSORIES (SEE CLASS 730 FOR TESTING OR ANALYZING TYPE)
290	ENERGY COLLECTING EQUIPMENT AND ACCESSORIES: SOLAR AND WIND
295	ELEVATORS, ESCALATORS, AND MOVING WALKS (BUILDING TYPE)
305	*ENGINEERING AND ARCHITECTURAL EQUIPMENT, SURVEYING EQUIPMENT, DRAWING INSTRUMENTS, AND SUPPLIES
310	ENVELOPES, PLAIN (SEE CLASSES 525, 615, 640, 655, 665, AND 966 FOR OTHER TYPES)

Class Code	Description
312	ENVIRONMENTAL PROTECTIVE EQUIPMENT (INSIDE AND OUTSIDE)
315	EPOXY BASED FORMULATIONS FOR ADHESIVES, COATINGS, AND RELATED AGENTS
318	FARE COLLECTION EQUIPMENT AND SUPPLIES
320	FASTENERS: BOLTS, NUTS, PINS, RIVETS, SCREWS, ETC. (INCL. PACKAGING, STRAPPING AND TYING EQUIPMENT AND SUPPLIES)
325	FEED, BEDDING, VITAMINS AND SUPPLEMENTS FOR ANIMALS (SEE CLASS 875 FOR DRUGS AND PHARMACEUTICALS FOR ANIMALS)
330	FENCING
335	FERTILIZERS AND SOIL CONDITIONERS
340	FIRE PROTECTION EQUIPMENT AND SUPPLIES
345	FIRST AID AND SAFETY EQUIPMENT AND SUPPLIES (EXCEPT NUCLEAR AND WELDING)
350	FLAGS, FLAG POLES, BANNERS, AND ACCESSORIES
360	FLOOR COVERING, FLOOR COVERING INSTALLATION AND REMOVAL EQUIPMENT, AND SUPPLIES
365	FLOOR MAINTENANCE MACHINES, PARTS, AND ACCESSORIES
370	FOOD PROCESSING AND CANNING EQUIPMENT AND SUPPLIES
375	FOODS: BAKERY PRODUCTS (FRESH)
380	FOODS: DAIRY PRODUCTS (FRESH)
385	FOODS, FROZEN
390	FOODS: PERISHABLE
393	FOODS: STAPLE GROCERY AND GROCER'S MISCELLANEOUS ITEMS
395	FORMS, CONTINUOUS: COMPUTER PAPER, FORM LABELS, SNAP-OUT FORMS, AND FOLDERS FOR FORMS
400	FOUNDRY CASTINGS, EQUIPMENT, AND SUPPLIES
405	FUEL, OIL, GREASE AND LUBRICANTS
410	FURNITURE: HEALTH CARE, HOSPITAL AND/OR DOCTOR'S OFFICE
415	FURNITURE: LABORATORY
420	FURNITURE: CAFETERIA, CHAPEL, DORMITORY, HOUSEHOLD, LIBRARY, LOUNGE, SCHOOL
425	FURNITURE: OFFICE
430	GASES, CONTAINERS, EQUIPMENT: LABORATORY, MEDICAL, AND WELDING
435	GERMICIDES, CLEANERS, AND RELATED SANITATION PRODUCTS FOR HEALTH CARE PERSONNEL

Class Code	Description
440	GLASS AND GLAZING SUPPLIES
445	HAND TOOLS (POWERED AND NON-POWERED), ACCESSORIES AND SUPPLIES
450	HARDWARE AND RELATED ITEMS
460	HOSE, ACCESSORIES, AND SUPPLIES: INDUSTRIAL, COMMERCIAL, AND GARDEN
465	*HOSPITAL AND SURGICAL EQUIPMENT, INSTRUMENTS, AND SUPPLIES
470	*HOSPITAL, NURSING HOME OR RESIDENTIAL SPECIALIZED EQUIPMENT FOR THE HANDICAPPED AND DISABLED
475	HOSPITAL, SURGICAL, AND MEDICAL RELATED ACCESSORIES AND SUNDRY ITEMS
485	JANITORIAL SUPPLIES, GENERAL LINE
486	JANITORIAL SUPPLIES, GENERAL LINE, ENVIRONMENTALLY CERTIFIED BY AN AGENCY ACCEPTED CERTIFICATION ENTITY
490	LABORATORY EQUIPMENT, ACCESSORIES AND SUPPLIES: GENERAL ANALYTICAL AND RESEARCH FOR NUCLEAR, OPTICAL, AND PHYSICAL
493	LABORATORY EQUIPMENT, ACCESSORIES, AND SUPPLIES: BIOCHEMISTRY, CHEMISTRY, ENVIRONMENTAL SCIENCE, ETC.
495	LABORATORY AND FIELD EQUIPMENT AND SUPPLIES: BIOLOGY, BOTANY, GEOLOGY, MICROBIOLOGY, ZOOLOGY, ETC.
500	LAUNDRY AND DRY CLEANING EQUIPMENT, ACCESSORIES AND SUPPLIES, COMMERCIAL
505	LAUNDRY AND DRY CLEANING COMPOUNDS, DETERGENTS, AND SUPPLIES
510	LAUNDRY TEXTILES AND SUPPLIES
515	LAWN MAINTENANCE EQUIPMENT AND ACCESSORIES (SEE CLASS 020 FOR AGRICULTURAL TYPES)
520	LEATHER AND SHOE ACCESSORIES, EQUIPMENT, AND SUPPLIES
525	LIBRARY AND ARCHIVAL EQUIPMENT, MACHINES, AND SUPPLIES
530	LUGGAGE, BRIEF CASES, PURSES, TABLET CASES, MP3 CASES AND RELATED ITEMS
540	LUMBER, SIDING, AND RELATED PRODUCTS
545	MACHINERY AND HARDWARE, INDUSTRIAL
550	*MARKERS, PLAQUES AND TRAFFIC CONTROL DEVICES
553	MANUFACTURING COMPONENTS AND SUPPLIES
555	METAL, PAPER, AND PLASTIC STENCILS AND STENCILING DEVICES
556	MASS TRANSPORTATION - TRANSIT BUS
557	MASS TRANSPORTATION - TRANSIT BUS ACCESSORIES AND PARTS

Class Code	Description
558	MASS TRANSPORTATION - RAIL VEHICLES AND SYSTEMS
559	MASS TRANSPORTATION - RAIL VEHICLE PARTS AND ACCESSORIES
560	MATERIAL HANDLING, CONVEYORS, STORAGE EQUIPMENT AND ACCESSORIES
565	MATTRESS AND PILLOW MANUFACTURING MACHINERY AND SUPPLIES
570	METALS: BARS, PLATES, RODS, SHEETS, STRIPS, STRUCTURAL SHAPES, TUBING, AND FABRICATED ITEMS
575	MICROFICHE AND MICROFILM EQUIPMENT, ACCESSORIES, AND SUPPLIES
578	*MISCELLANEOUS PRODUCTS (NOT OTHERWISE CLASSIFIED)
580	MUSICAL INSTRUMENTS, ACCESSORIES, AND SUPPLIES
590	NOTIONS AND RELATED SEWING ACCESSORIES AND SUPPLIES
593	NUCLEAR EQUIPMENT COMPONENTS, ACCESSORIES AND SUPPLIES
595	NURSERY (PLANTS) STOCK, EQUIPMENT, AND SUPPLIES
600	*OFFICE MACHINES, EQUIPMENT, AND ACCESSORIES
605	OFFICE MECHANICAL AIDS, SMALL MACHINES, AND APPARATUSES
610	OFFICE SUPPLIES: CARBON PAPER AND RIBBONS, ALL TYPES
615	OFFICE SUPPLIES, GENERAL
616	OFFICE SUPPLIES, GENERAL, ENVIRONMENTALLY CERTIFIED BY AN AGENCY ACCEPTED CERTIFICATION ENTITY
620	OFFICE SUPPLIES: ERASERS, INKS, LEADS, PENS, PENCILS, ETC.
625	OPTICAL EQUIPMENT, ACCESSORIES, AND SUPPLIES
630	PAINT, PROTECTIVE COATINGS, VARNISH, WALLPAPER, AND RELATED PRODUCTS
635	PAINTING EQUIPMENT AND ACCESSORIES
640	PAPER AND PLASTIC PRODUCTS, DISPOSABLE
645	PAPER, FOR OFFICE AND PRINT SHOP USE
650	PARK, PLAYGROUND, RECREATIONAL AREA AND SWIMMING POOL EQUIPMENT AND SUPPLIES
652	PERSONAL HYGIENE AND GROOMING EQUIPMENT AND SUPPLIES
655	*PHOTOGRAPHIC EQUIPMENT, FILM, AND SUPPLIES (NOT GRAPHIC ARTS, MICROFILM, AND X-RAY)
658	PIPE, TUBING, AND ACCESSORIES (NOT FITTINGS)
659	PIPE AND TUBING FITTINGS
660	PIPES, TOBACCOS, SMOKING ACCESSORIES; ALCOHOLIC BEVERAGES

Class Code	Description
665	PLASTICS, RESINS, FIBERGLASS: CONSTRUCTION, FORMING, LAMINATING, AND MOLDING EQUIPMENT, ACCESSORIES, AND SUPPLIES
670	PLUMBING EQUIPMENT, FIXTURES, AND SUPPLIES
675	PESTICIDES AND CHEMICALS: AGRICULTURAL AND INDUSTRIAL
680	*POLICE, PRISON AND SECURITY ACCESS EQUIPMENT AND SUPPLIES
685	POULTRY EQUIPMENT AND SUPPLIES
690	*POWER GENERATION EQUIPMENT, ACCESSORIES, AND SUPPLIES
691	POWER TRANSMISSION EQUIPMENT (ELECTRICAL, MECHANICAL, AIR AND HYDRAULIC)
700	PRINTING PLANT EQUIPMENT AND SUPPLIES (EXCEPT PAPER)
710	PROSTHETIC DEVICES, HEARING AIDS, AUDITORY TESTING EQUIPMENT, ELECTRONIC READING DEVICES, ETC.
715	PUBLICATIONS, AUDIOVISUAL MATERIALS, BOOKS, TEXTBOOKS (PREPARED MATERIALS ONLY)
720	PUMPING EQUIPMENT AND ACCESSORIES
726	*RADIO COMMUNICATION EQUIPMENT, ACCESSORIES AND SUPPLIES
730	*RADIO COMMUNICATION AND TELECOMMUNICATION TESTING, MEASURING, AND ANALYZING EQUIPMENT, ACCESSORIES AND SUPPLIES
735	RAGS, SHOP TOWELS, AND WIPING CLOTHS
740	REFRIGERATION EQUIPMENT AND ACCESSORIES
745	ROAD AND HIGHWAY BUILDING MATERIALS (ASPHALTIC)
750	ROAD AND HIGHWAY BUILDING MATERIALS (NOT ASPHALTIC)
755	ROAD AND HIGHWAY ASPHALT AND CONCRETE HANDLING AND PROCESSING EQUIPMENT
760	ROAD AND HIGHWAY EQUIPMENT: EARTH HANDLING, GRADING, MOVING, PACKING, ETC.
765	ROAD AND HIGHWAY EQUIPMENT (EXCEPT EQUIPMENT IN CLASSES 755 AND 760)
770	ROOFING MATERIALS AND SUPPLIES
775	SALT (SODIUM CHLORIDE) (SEE CLASS 393 FOR TABLE SALT)
780	SCALES AND WEIGHING APPARATUS (SEE 175-08 FOR LABORATORY BALANCES)
785	SCHOOL EQUIPMENT, TEACHING AIDS, AND SUPPLIES
790	SEED, SOD, SOIL, AND INOCULANTS
795	SEWING AND TEXTILE MACHINERY AND ACCESSORIES

Class Code	Description
800	SHOES AND BOOTS
801	SIGNS, SIGN MATERIALS, SIGN MAKING EQUIPMENT, AND RELATED SUPPLIES
803	*SOUND SYSTEMS, COMPONENTS, AND ACCESSORIES: GROUP INTERCOM, MUSIC, PUBLIC ADDRESS, ETC.
804	SPACECRAFTS, ACCESSORIES AND COMPONENTS
805	*SPORTING GOODS, ATHLETIC EQUIPMENT AND ATHLETIC FACILITY EQUIPMENT
810	SPRAYING EQUIPMENT (EXCEPT HOUSEHOLD, NURSERY PLANT, AND PAINT)
815	STEAM AND HOT WATER FITTINGS, ACCESSORIES, AND SUPPLIES
820	STEAM AND HOT WATER BOILERS AND STEAM HEATING EQUIPMENT
825	STOCKMAN EQUIPMENT AND SUPPLIES
830	TANKS (METAL, PLASTIC, WOOD, AND SYNTHETIC MATERIALS): MOBILE, PORTABLE, STATIONARY, AND UNDERGROUND TYPES
832	TAPE (NOT DATA PROCESSING, MEASURING, OPTICAL, SEWING, SOUND, OR VIDEO)
838	*TELECOMMUNICATION EQUIPMENT, ACCESSORIES AND SUPPLIES
839	*TELEPHONE EQUIPMENT, ACCESSORIES AND SUPPLIES
840	*TELEVISION EQUIPMENT AND ACCESSORIES
845	TESTING APPARATUS AND INSTRUMENTS (NOT FOR ELECTRICAL OR ELECTRONIC MEASUREMENTS)
850	TEXTILES, FIBERS, HOUSEHOLD LINENS, AND PIECE GOODS
855	THEATRICAL EQUIPMENT AND SUPPLIES
860	TICKETS, COUPON BOOKS, SALES BOOKS, STRIP BOOKS, ETC.
863	TIRES AND TUBES (INCL. RECAPPED/RETREADED TIRES)
864	TRAIN CONTROLS, ELECTRONIC
865	TWINE AND STRING
870	VENETIAN BLINDS, AWNINGS, AND SHADES
875	VETERINARY EQUIPMENT AND SUPPLIES (SEE CLASS 325 FOR VITAMINS AND SUPPLEMENTS FOR ANIMALS)
880	VISUAL EDUCATION EQUIPMENT AND SUPPLIES (EXCEPT PROJECTION LAMPS -SEE CLASS 285)
883	*VOICE RESPONSE SYSTEMS
885	WATER AND WASTEWATER TREATING CHEMICALS

Class Code	Description
890	WATER SUPPLY, GROUNDWATER, SEWAGE TREATMENT, AND RELATED EQUIPMENT (NOT FOR AIR CONDITIONING, STEAM BOILER, OR LABORATORY REAGENT WATER)
895	WELDING EQUIPMENT AND SUPPLIES
898	X-RAY AND OTHER RADIOLOGICAL EQUIPMENT AND SUPPLIES (MEDICAL)
905	AIRCRAFT AND AIRPORT OPERATIONS SERVICES
906	ARCHITECTURAL SERVICES, PROFESSIONAL
907	*ARCHITECTURAL AND ENGINEERING SERVICES, NON-PROFESSIONAL
908	BOOKBINDING AND REPAIRING SERVICES
909	BUILDING CONSTRUCTION SERVICES, NEW (INCL. MAINTENANCE AND REPAIR SERVICES)
910	BUILDING MAINTENANCE, INSTALLATION AND REPAIR SERVICES
912	CONSTRUCTION SERVICES, GENERAL (INCL. MAINTENANCE AND REPAIR SERVICES)
913	CONSTRUCTION SERVICES, HEAVY (INCL. MAINTENANCE AND REPAIR SERVICES)
914	CONSTRUCTION SERVICES, TRADE (NEW CONSTRUCTION)
915	*COMMUNICATIONS AND MEDIA RELATED SERVICES
918	*CONSULTING SERVICES
920	*DATA PROCESSING, COMPUTER, PROGRAMMING, AND SOFTWARE SERVICES
924	*EDUCATIONAL/TRAINING SERVICES
925	*ENGINEERING SERVICES, PROFESSIONAL
926	ENVIRONMENTAL AND ECOLOGICAL SERVICES
928	*EQUIPMENT MAINTENANCE AND REPAIR SERVICES FOR AUTOMOBILES, TRUCKS, TRAILERS, TRANSIT BUSES AND OTHER VEHICLES
929	EQUIPMENT MAINTENANCE AND REPAIR SERVICES FOR AGRICULTURAL, CONSTRUCTION, HEAVY INDUSTRIAL, MATERIAL HANDLING, AND ROAD AND HIGHWAY EQUIPMENT
931	EQUIPMENT MAINTENANCE AND REPAIR SERVICES FOR APPLIANCE, ATHLETIC, CAFETERIA, FURNITURE, MUSICAL INSTRUMENTS, AND SEWING EQUIPMENT
934	EQUIPMENT MAINTENANCE AND REPAIR SERVICES FOR LAUNDRY, LAWN, PAINTING, PLUMBING, AND SPRAYING EQUIPMENT
936	*EQUIPMENT MAINTENANCE AND REPAIR SERVICES FOR GENERAL EQUIPMENT
938	EQUIPMENT MAINTENANCE AND REPAIR SERVICES FOR HOSPITAL, LABORATORY, AND TESTING EQUIPMENT
939	*EQUIPMENT MAINTENANCE AND REPAIR SERVICES FOR COMPUTERS, OFFICE, PHOTOGRAPHIC, AND RADIO/TELEVISION EQUIPMENT

Class Code	Description
940	EQUIPMENT MAINTENANCE, REPAIR, CONSTRUCTION, AND RELATED SERVICES FOR RAILROADS
941	EQUIPMENT MAINT, REPAIR, AND RELATED SERVICES FOR POWER GENERATION AND TRANSMISSION EQUIP.
944	FARMING AND RANCHING SERVICES, ANIMAL AND CROP
945	FISHING, HUNTING, TRAPPING, GAME PROPAGATION, AND RELATED SERVICES
946	FINANCIAL SERVICES
947	FORESTRY SERVICES
948	*HEALTH RELATED SERVICES (FOR HUMAN SERVICES SEE CLASS 952)
952	HUMAN SERVICES
953	INSURANCE AND INSURANCE SERVICES, (ALL TYPES)
954	LAUNDRY AND DRY CLEANING SERVICES
956	*LIBRARY AND SUBSCRIPTION SERVICES (INCLUDES RESEARCH SERVICES, INTERNET AND PERIODICAL SUBSCRIPTIONS)
958	*MANAGEMENT SERVICES
959	MARINE CONSTRUCTION AND RELATED SERVICES; MARINE EQUIPMENT MAINTENANCE AND REPAIR
961	*MISCELLANEOUS SERVICES, NO. 1 (NOT OTHERWISE CLASSIFIED)
962	*MISCELLANEOUS SERVICES, NO. 2 (NOT OTHERWISE CLASSIFIED)
963	NON-BIDDABLE MISCELLANEOUS ITEMS
965	PRINTING PREPARATIONS: ETCHING, PHOTOENGRAVING, AND PREPARATION OF MATS, NEGATIVES AND PLATES
966	PRINTING AND TYPESETTING SERVICES
967	*PRODUCTION AND MANUFACTURING SERVICES
968	PUBLIC WORKS AND RELATED SERVICES
971	REAL PROPERTY RENTAL OR LEASE
975	RENTAL OR LEASE SERVICES OF AGRICULTURAL, AIRCRAFT, AIRPORT, AUTOMOTIVE, MARINE, AND HEAVY EQUIPMENT
977	RENTAL OR LEASE SERVICES OF APPLIANCES, CAFETERIA, FILM, FURNITURE, HARDWARE, MUSICAL, SEWING, AND WINDOW AND FLOOR COVERINGS
979	RENTAL OR LEASE SERVICES OF ENGINEERING, HOSPITAL, LABORATORY, PRECISION INSTRUMENTS, REFRIGERATION, SCALES, AND TESTING EQUIPMENT

Class Code	Description
<u>981</u>	RENTAL OR LEASE OF GENERAL EQUIPMENT (HVAC, ATHLETIC, FIRE AND POLICE PROTECTION, ETC.)
<u>983</u>	RENTAL OR LEASE SERVICES OF CLOTHING, JANITORIAL, LAUNDRY, LAWN, PAINTING, SPRAYING, LABORATORY AND TEXTILE EQUIPMENT
<u>984</u>	*RENTAL OR LEASE SERVICES OF COMPUTERS, DATA PROCESSING, AND WORD PROCESSING EQUIPMENT
<u>985</u>	*RENTAL OR LEASE SERVICES OF OFFICE, PHOTOGRAPHIC, PRINTING, RADIO/TELEVISION/TELEPHONE EQUIPMENT
<u>988</u>	ROADSIDE, GROUNDS, RECREATIONAL AND PARK AREA SERVICES
<u>989</u>	SAMPLING AND SAMPLE PREPARATION SERVICES (FOR TESTING)
<u>990</u>	*SECURITY, FIRE, SAFETY, AND EMERGENCY SERVICES (INCLUDING DISASTER DOCUMENT RECOVERY)
<u>992</u>	TESTING AND CALIBRATION SERVICES
<u>998</u>	SALE OF SURPLUS AND OBSOLETE ITEMS

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